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RHEHNSC/WHITE HOUSE NSC PRIORITY

C O N F I D E N T I A L JERUSALEM 002036

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NEA FOR FRONT OFFICE AND IPA; NSC FOR ABRAMS/DORAN/LOGERFO

E.O. 12958: DECL: 05/19/2016 TAGS: PREL KPAL KWBG EAID

SUBJECT: HEBRONITES DISCUSS SETTLERS, ECONOMY AND HAMAS

REF: A. JERUSALEM 1499

¶B. JERUSALEM 1824

Classified By: Consul General Jake Walles. Reasons: 1.4 (b) and (d).

¶1. (C) Summary. In a May 18 meeting with the Consul General, prominent Hebronites expressed concerns about settlers, the economy and Hamas' stewardship of the government. Hebron Governor Jabari expressed his appreciation for USG assistance in past difficulties involving the Ibrahimi Mosque/Tomb of the Patriarchs, described new difficulties and sought USG help to resolve them. All the Hebronites spoke of the political and economic difficulties caused by the presence of Israeli settlers inside Hebron and hoped that Israeli PM Olmert's Convergence Plan would result in their departure. A local business leader described recent economic deterioration and asked for reconsideration of suspended USAID private sector projects. A Fatah leader underscored the need for the USG to remain engaged on a political level. Follow-on press coverage highlighted the Consul General's visit. End summary.

## 12. (U) Attendees:

## Palestinian

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Hebron Governor Arif Jabari Local businessman Khaled Osaily, CEO of Osaily Trading Co. Fatah leader and former PLC member Sliman Abu Sneineh

ConGen

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Consul General Political Chief (notetaker) FSN Political Specialist

Settler and IDF Concerns

- 13. (C) Governor Jabari thanked the Consul General for assistance regarding a recent difficulty in the Ibrahimi Mosque/Tomb of the Patriarchs (ref (a) and said that Palestinians faced severe security and economic problems within Hebron's Old City, which he linked directly to the ongoing presence of Israeli settlers in and around the Old City. Jabari is closely following statements made by Israeli PM Olmert regarding the future of settlements, and said he hopes the settlements in and around Hebron will be removed as part of Olmert's Convergence Plan.
- 14. (C) Jabari said he had received information regarding a new development at the Ibrahimi Mosque/Tomb of the Patriarchs on May 17, in which the IDF issued a military order to install bullet-proof windows around the burial place of

Abraham. Jabari opined that the only threat in the Mosque is from Israeli extremists, noting the 1994 attack on Muslim worshippers by Israeli settler Baruch Goldstein, and explained that the Palestinians opposed any changes around Abraham's resting place. He asked for USG assistance with the GOI in turning off this project. He also charged the GOI with preventing the muezzin from announcing the call to prayer in recent weeks and asked for US intervention on this issue as well.

## Business Concerns

- 15. (C) Prominent local businessman Osaily echoed the governor's concerns regarding Hebron's Old City. He expressed concern about the overall political situation, and recalled the recent Palestinian private sector political initiative (ref (b) geared toward addressing political and economic problems. Osaily described the overall Palestinian economic situation as bleak and asked for reconsideration of USAID projects suspended in the wake of the January 2006 Hamas Palestinian Legislative Council (PLC) victory. Osaily said he was at a recent meeting in Jordan where investors in Palestinian companies had decided to send their investment funds to Sudan instead of the West Bank and Gaza.
- 16. (C) Osaily criticized the new Israeli checkpoints established as part of the security barrier, noting in particular the one between Bethlehem and Jerusalem. He explained that they hinder the movement of goods and humiliate Palestinians as they cross. He also pressed for freer access by tourists to sites on the Palestinian side of the separation barrier to alleviate the economic problems in towns such as Bethlehem.

## Political Concerns

- 17. (C) Fatah leader Abu Sneineh said he understood U.S. legal restrictions against dealing with Hamas, but asked that the USG stay engaged on Palestinian political issues, Hebron and border crossings with Israel. Abu Sneineh -- an unsuccessful candidate in the January PLC elections -- described most Hamas support as "non-ideological" and said that "we all share the blame for the Hamas victory." Abu Sneineh pressed for USG assistance in releasing tax clearance revenues being held by the GOI, which he said would help alleviate the economic crisis.
- 18. (C) Governor Jabari took aim at the Hamas leaders in the PA, saying they lacked the experience to properly perform their jobs. He asked for USG assistance in strengthening the position of Abu Mazen vis-a-vis the Hamas-led government, and underscored the negotiation role that could only be played by the President and the PLO.

WALLES